PERMITTEE

Eight Flags Energy, LLC
911 South Eighth Street
Fernandina Beach, Florida 32034

PERMITTING AUTHORITY

Florida Department of Environmental Protection
Division of Air Resource Management
Office of Permitting and Compliance
2600 Blairstone Road
Tallahassee, Florida 32399

PROJECT

Air Permit No. 0890441-001-AC
Minor Source Air Construction Permit
Eight Flags Cogeneration Construction Project

Eight Flags Energy LLC (Eight Flags) proposed to construct a new gas turbine cogeneration system to generate electric power, steam, and hot water. Electricity will be supplied to the electrical grid, while steam and hot water will be sent to the contiguously located Rayonier Fernandina plant.

NOTICE AND PUBLICATION

The Department distributed a draft minor air construction permit package on January 22, 2015. The applicant published the Public Notice in the News-Leader on February 11, 2015. The Department received the proof of publication on February 11, 2015. No requests for administrative hearings or requests for extensions of time to file a petition for administrative hearing were received.

COMMENTS

Comments from the Public

No comments were received from the general public, interested third parties, or the US EPA.

Comments from the Applicant

On February 19, 2015, the Department received comments from Golder Associates, on behalf of Eight Flags. The comments and the Department's responses are below. All suggested modifications are highlighted in yellow. Suggested deletions are marked as strikethrough text, and suggested insertions are marked with double underlining.

Comment 1:

> Pg. 7 of 12: Condition 8.b and 8.c. These two conditions specify that quarterly testing is required for NOx emissions for the first year of operation. However, Condition 17 on pg. 9 of 12 states that quarterly testing is required only if the Initial Compliance Demonstration testing (Condition 15) determines that NOx emission are equal to or greater than 90% either of the SIP-based NOx limits in Conditions 8.a., b. and c. Therefore, it is requested that Condition 8.b. and c. be revised to be consistent with Condition 17. Suggested wording is provided below:
>
> b. *SIP-based NO_X Standard for Turbine*: Emissions of NO_X from the gas turbine operating at greater than or equal to 75% of full load, without duct burner firing, shall not exceed 17 ppmvd @ 15% O_2. Initial, quarterly (for first year of operation and only if required by Specific Condition 17) and annual compliance tests for NO_X shall be in accordance with EPA Method 7E. [Application No. 0890441-001-AC; Rule 62-4.070(3), F.A.C.; PSD Avoidance]

c. *SIP-based NO_X Standard for Duct Burners:* Combined emissions of NO_X from the gas turbine and duct burners shall not exceed 22 ppmvd @ 15% O_2. Initial, quarterly (for first year of operation and only if required by Specific Condition 17) and annual compliance tests for NO_X shall be in accordance with EPA Method 7E. [Application No. 0890441-001-AC; Rule 62-4.070(3), F.A.C.; PSD Avoidance]

Response: These are reasonable clarifications that more accurately convey the intent of these permit conditions. These will be incorporated into the final permit.

Comment 2:

Pg. 9 of 12: Condition 13. This condition refers to an "emissions unit description above". However, the emissions unit description appearing on pg. 6 of 12 does not include this information. We believe this condition should more appropriately refer to Specific Condition 4, Permitted Capacity. Suggested wording is provided below:

13. Operating Rate During Testing: Initial and annual stack tests shall be conducted at 90% or greater of the ~~design~~ permitted heat input ratings provided in ~~emissions unit description~~ Specific Condition 4 above. [Rule 62-297.310, F.A.C.]

Response: These are reasonable clarifications that will be incorporated into the final permit.

Comment 3:

Pg. 9 of 12: Condition 17. This condition refers to an "emissions unit description above". However, the emissions unit description appearing on pg. 6 of 12 does not include this information. We believe this condition should more appropriately refer to Specific Condition 4, Permitted Capacity. Suggested wording is provided below:

18. Special Performance Test for CO and VOC: A special initial performance test for CO and VOC shall be conducted or commence within 60 days after achieving the maximum production rate, but not later than 180 days after the initial startup of the unit. The tests shall be conducted at 90% or greater of the ~~design~~ permitted heat input rating provided in ~~emissions unit description~~ Specific Condition 4 above. In accordance with the methods in Condition 16, the CTG (including duct burner) shall be tested to determine the concentration and mass emission rate for CO and VOC. The test results shall be compared with the values listed below. If the listed values are exceeded, then the permittee shall submit an application with a request for enforceable CO or VOC limits and testing procedures that further ensure that the requirements of subsections 62-212.400(4) through (12), F.A.C. are not triggered.

Response: These are reasonable clarifications that will be incorporated into the final permit.

CONCLUSION

The final action is to issue the permit with the minor changes, corrections and clarifications as described above.